

Message Text

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47

ACTION COME-00

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 EB-04 FRB-01

INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-06 SP-02

CIEP-01 LAB-01 SIL-01 OMB-01 NSC-05 SS-20 STR-01

CEA-01 H-01 L-01 PA-01 PRS-01 USIA-06 DRC-01 /075 W

----- 109471

R 121305Z OCT 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 6008

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 7851

E.O.11652: N/A

TAGS: EFIN, EMAE, BTIO, EIND, BR

SUBJECT: BRASILIAN STEEL EXPANSION

REF: A. STATE 218249 B. BRASILIA 6868 C. BRASILIA 7561

1. STATE REFTEL OUTLINED THE CONCERNS OF THE DEPARTMENT AND US FIRMS REGARDING THE BIDDING PROCEDURES AND CONDITIONS ON BRAZIL'S STEEL EXPANSION PROGRAM. AS A MATTER OF COURTESY AND POSSIBLY TO FOCUS GOB ATTENTION ON THESE US CONCERNS, THE EMBASSY TRANSMITS, FOR THE DEPARTMENT'S APPROVAL, THE FOLLOWING DRAFT NOTE RESPONDING TO THE FOREIGN MINISTRY NOTE REQUESTING A USG REACTION

(REF B):

BEGIN TEXT:

THE EMBASSY.... AND HAS THE HONOR TO ACKNOWLEDGE RECEIPT OF THE MINISTRY'S NOTE NO... WHICH INFORMED THE EMBASSY OF THE INITIAL STEPS BEING TAKEN TO IMPLEMENT THE THIRD PHASE OF THE EXPANSION PLAN FOR THE BRAZILIAN STEEL INDUSTRY.

THE EMBASSY IS PLEASED TO INFORM THE MINISTRY THAT THE INFORMATION FURNISHED ON THE EXPANSION PROGRAM AND THE BASIC FINANCIAL CONDITIONS ARE UNDER STUDY AND THAT THE LIMITED OFFICIAL USE

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UNITED STATES GOVERNMENT IS INTERESTED, IN PRINCIPLE, IN

HAVING UNITED STATES COMPANIES PARTICIPATE IN THE PROJECTS CONTEMPLATED. THERE ARE A NUMBER OF QUALIFIED AMERICAN DESIGN CONSTRUCTORS CAPABLE OF ADDRESSING THE LARGE-SCALE INTEGRATED PROJECTS OF THE TYPE PLANNED FOR THE BRAZILIAN STEEL PROGRAM. THERE ARE, AS WELL, SEVERAL SPECIALIZED AMERICAN CONSTRUCTION ENGINEERS WHO COULD BE INTERESTED IN PROVIDING SERVICES TO BRAZIL. SOME OF THE CONSIDERATIONS TO BE TAKEN INTO ACCOUNT IN THE STUDY OF THE STEEL EXPANSION PLAN, WHICH CONTAINS SOME INNOVATIVE APPROACHES THAT MIGHT PROVE DISCOURAGING TO PARTICIPATION BY AMERICAN COMPANIES, WOULD INCLUDE: THE PORTION OF THE PROGRAM INVOLVING BILATERAL FINANCING, THE METHOD OF BIDDING, THE PROVISION OF TECHNICAL ASSISTANCE, AND THE REAL OPPORTUNITIES AVAILABLE TO US FIRMS.

(COMPLIMENTARY CLOSE)

END TEXT

2. IN PRESENTING THE NOTE, EMBASSY WOULD MAKE POINT THAT WASHINGTON VISIT BY GOB STEEL OFFICIALS IN LATTER PART OF OCTOBER (REF C) WILL PROVIDE OPPORTUNITY FOR MORE DETAILED DISCUSSIONS OF US AND BRAZILIAN VIEWS.
CRIMMINS

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Message Attributes

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Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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